

Minneapolis Community Development Agency

Request for City Council Action

Date: November 14, 2002

To: Council Member Lisa Goodman, Community Development Committee

Prepared by Bob Lind, Manager, Business Finance, Phone 612-673-5068

Approved by Chuck Lutz, MCDA Interim Executive Director _____

Subject: Authorizing the Execution of Necessary Documents Related to the Retirement of Debt on City of Minneapolis Tax-exempt Revenue Bonds for the Saint Anthony Falls Corporation Project Series 1977 (Labor Center Office Building at 312 Central Ave. S.E.)

Previous Directives: On September 9, 1977 the City Council adopted Resolution 77R-311 authorizing the issuance of \$2,105,000 in tax-exempt revenue bonds for the United Labor Center Office Building at 312 Central Avenue S.E. (Saint Anthony Falls Corporation Project). The bonds have been paid off and a number of city documents need to be executed to complete the close-out on the project.

Ward: 5

Neighborhood Group Notification: In 1977 the neighborhood surrounding the project was notified. No further notification is necessary on the retirement of the bond debt.

Consistency with *Building a City That Works*: The original project in 1977 was consistent with Goal 3 of supporting strong and diverse neighborhoods and in providing financial assistance for commercial projects.

Comprehensive Plan Compliance: The project at 312 Central Avenue S.E. is zoned C2- Neighborhood Corridor Commercial District and is in compliance.

Zoning Code Compliance: The project location is zoned C2 and is a permitted use.

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Impact on MCDA Budget: (Check those that apply)

- ☒ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: N.A.

Job Linkage: N.A.

Affirmative Action Compliance: N.A.

RECOMMENDATION: City Council Recommendation: The Interim Executive Director recommends that the City Council adopt the attached resolution, a summary of which will be published, authorizing the execution of necessary documents related to the retirement of debt on the City of Minneapolis Tax-exempt Revenue Bonds for the Saint Anthony Falls Corporation Project Series 1977.

Background/Supporting Information

In 1975 the Minneapolis Labor Temple Building was constructed at 312 Central Avenue S.E. in Minneapolis. In 1977 the City of Minneapolis authorized the issuance of \$2,105,000 in Tax-exempt Revenue Bonds for the purchase of the Minneapolis Labor Temple Project by the Saint Anthony Falls Corporation. The revenue bonds were privately placed with a number of banks and credited investors for a term of 25 years maturing in 2002.

At this time with the retirement of the revenue bond debt, the City is being asked to convey title to the project by executing a Bill of Sale and Quitclaim Deed to complete the transfer of the ownership of the project to Saint Anthony Falls Corporation. It is staff's recommendation to consent to the requested execution of necessary documents to complete the close-out on the revenue bond financing.

AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS RELATED
TO THE RETIREMENT OF DEBT ON CITY OF MINNEAPOLIS TAX-EXEMPT
REVENUE BONDS FOR THE SAINT ANTHONY FALLS CORPORATION
PROJECT SERIES 1977

WHEREAS, THE City of Minneapolis (the "City"), by the Constitution and laws of the State of Minnesota, including Sections 469.152 to 469.165, Minnesota Statutes (the "Act"), is authorized to issue and sell its revenue bonds for the purpose of undertaking authorized projects and to enter into contracts necessary or convenient in the exercise of the powers granted by the Act and to pledge revenues of such projects and otherwise secure such bonds; and

WHEREAS, pursuant to a Mortgage and Indenture of Trust, dated as of September 1, 1977, between the City and Northwestern National Bank of Minneapolis, as Trustee, (the "Trust Indenture"), the City (the "Municipality") has issued the Industrial Development Revenue Bonds, Series 1977, in the aggregate principal amount of \$2,105,000, under the Act; and

WHEREAS, the Municipality loaned the proceeds of the Bonds to Saint Anthony Falls Corporation (the "Tenant") upon the terms and conditions set forth in the Lease made as of September 1, 1977, between the Municipality and the Tenant (the "Lease"); and

WHEREAS, the Tenant has notified the City that the Bonds have been retired and it wishes to convey to the Tenant title to the Project as specified in the Lease.

NOW, THEREFORE, BE IT RESOLVED, that the Bill of Sale and Quitclaim Deed and other necessary documents shall be executed in the name and on behalf of the City by the Mayor, the Finance Officer (or the Assistant Finance Officer) and the City Clerk (or Assistant City Clerk) in substantially the form on file, but with all such changes therein, not inconsistent with the Act or other law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.